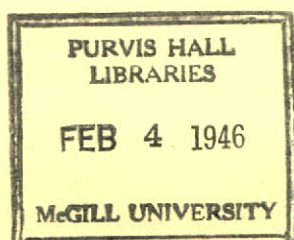


BRITISH COLUMBIA POWER CORPORATION LIMITED

ANNUAL REPORT



1934



BRITISH COLUMBIA POWER CORPORATION
LIMITED

ANNUAL REPORT

For the year ended June 30th
1934

1934

BRITISH COLUMBIA POWER CORPORATION LIMITED

Officers

W. G. MURRIN	-	-	-	-	-	-	-	-	-	-	President
A. T. GOWARD	-	-	-	-	-	-	-	-	-	-	Vice-President
E. H. ADAMS	-	-	-	-	-	-	-	-	-	-	Vice-President
J. I. NEWELL	-	-	-	-	-	-	-	-	-	-	Vice-President
E. ROGERS	-	-	-	-	-	-	-	-	-	-	Secretary
E. H. ADAMS	-	-	-	-	-	-	-	-	-	-	Treasurer

Directors

HON. SIR F. S. BARNARD, K.C.M.G.	SIR HERBERT HOLT
C. E. CALDER	GEORGE KIDD
JOHN DAVIDSON	W. G. MURRIN
S. GODIN, Jr.	A. J. NESBITT
A. T. GOWARD	RT. HON. VISCOUNT ROTHERMERE
J. H. GUNDY	P. A. THOMSON
ANDREW P. HOLT	J. B. WOODYATT
W. J. BLAKE WILSON (<i>Died June 22, 1934</i>)	

THE ROYAL BANK OF CANADA	-	-	-	-	-	-	-	Bankers
ROYAL TRUST COMPANY	-	-	-	-	-	-	-	Registrar
MONTREAL TRUST COMPANY	-	-	-	-	-	-	-	Transfer Agent
PRICE, WATERHOUSE & CO.	-	-	-	-	-	-	-	Auditors

Head Office of the Corporation

B. C. ELECTRIC BUILDING
Vancouver, B. C., Canada

FACTS ABOUT YOUR CORPORATION AND ITS SUBSIDIARIES

(As at June 30, 1934)

1. It serves a territory of over 1,500 square miles;
2. It renders service to a population of over 385,000, embracing 27 different communities;
3. It has 9 hydro-electric plants and 3 steam plants;
4. It has 66 substations and transformer stations;
5. It has 577 miles of high-tension transmission lines;
6. It has 2,260 miles of distribution pole lines;
7. It has 40 city street car and bus routes;
8. It has 4 interurban lines;
9. It employs 3,300 people;
10. It paid out in wages and salaries during the year more than \$4,600,000;
11. It operates 192 miles of street car lines;
12. It operates 157 miles of interurban car lines, a total of 349 miles;
13. It operates 421 city and interurban passenger cars;
14. It operates 12 electric locomotives;
15. It operates 425 express freight and service cars;
16. It operates 55 motor buses and 12 motor freight trucks;
17. It operates 360 miles of motor bus and 103 miles of motor freight service;
18. It operated 15,982,573 passenger car and bus miles during the year;
19. The power generated by its power plants during the year totalled 450,386,743 K.W.H.;
20. It operates 11 stores for the sale of electric and gas appliances;
21. It has 3 gas plants, with a total daily capacity of 12,500,000 cubic feet.

BRITISH COLUMBIA POWER CORPORATION LIMITED

NOTICE OF ANNUAL GENERAL
MEETING OF SHAREHOLDERS

Vancouver, September 11, 1934.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of the British Columbia Power Corporation Limited will be held in the Auditorium of the B. C. Electric Building, 602 Granville Street, Vancouver, B. C., on Thursday, the 27th day of September, 1934, at the hour of 11.30 o'clock a.m.:

- (1) To receive the Annual Report of the Directors;
- (2) To receive the audited Balance Sheet made up to June 30, 1934, and Statement of Income and Expenditure for the financial period ending on that date;
- (3) To elect Directors for the ensuing year;
- (4) To appoint Auditors for the ensuing year; and
- (5) For the transaction of such other business as may legally come before the meeting.

By Order of the Board of Directors,

ERNEST ROGERS,
Secretary.

BRITISH COLUMBIA POWER CORPORATION LIMITED

Owns and controls the following companies:

BRITISH COLUMBIA ELECTRIC RAILWAY COMPANY, LIMITED.

BRITISH COLUMBIA ELECTRIC POWER & GAS COMPANY, LIMITED.

VANCOUVER POWER COMPANY, LIMITED.

WESTERN POWER COMPANY OF CANADA, LIMITED.

BRIDGE RIVER POWER COMPANY, LIMITED.

BURRARD POWER COMPANY, LIMITED.

VANCOUVER ISLAND POWER COMPANY, LIMITED.

NATIONAL UTILITIES CORPORATION, LIMITED.

VANCOUVER, FRASER VALLEY & SOUTHERN RAILWAY COMPANY.

COLUMBIA ESTATE COMPANY, LIMITED.

BRITISH COLUMBIA RAPID TRANSIT COMPANY, LIMITED.

VICTORIA ELECTRIC COMPANY, LIMITED.

VICTORIA GAS COMPANY, LIMITED.

ANNUAL REPORT
of the Directors of
**BRITISH COLUMBIA POWER
CORPORATION LIMITED**

Submitted at the Sixth Annual Meeting of the Shareholders held on
Thursday, 27th September, 1934.

TO THE SHAREHOLDERS:

Your Directors beg to submit the following Report and Financial Statements covering the operations of your Company and its Subsidiaries for the year ended 30th June, 1934.

INCOME AND EXPENSE STATEMENT

Gross Revenue \$12,626,674.77

EXPENSES:

Operating Expenses	\$5,386,517.31
Income and Property Taxes.....	1,197,754.00
Depreciation and Renewals Reserve	1,825,202.01
	8,409,473.32

Net Revenue \$ 4,217,201.45

Deduct—

Bond Interest, proportion of Bond Discount written off, Cost of Exchange, and Preference Dividends.....	2,571,770.77
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	\$ 1,645,430.68
Dividends on Class A Shares for the year.....	1,620,000.00

Surplus for the year.....	\$ 25,430.68

REVENUE

While the revenue from all sources shows a decrease of \$198,000 as compared with the previous year, we are glad to record that gross earnings show an increase in the latter half of the financial year over the same period last year. The revenue of our gas department was particularly affected by the extremely mild winter, which resulted in a curtailment in the use of gas for heating purposes. Owing to the recovery in business activity which has taken place, the revenue from transportation operations shows a slight improvement over last year. The volume of merchandise sales has been well maintained, and the number of electrical consumers has been increased by 1,070.

EXPENSES

Material reductions in expenses of operation have been effected, without impairing the efficiency of plant or services. The higher price of sterling has resulted in a charge of \$73,370 being made in this year's accounts, to provide the money necessary to meet interest and dividends payable in London.

NET REVENUE

After providing for depreciation, interest and fixed dividend requirements, there was available for dividends on the Class A stock \$1,645,430, as compared with \$1,537,147 last year.

PLANT ADDITIONS AND BETTERMENTS

During the year the additions to the vertical gas plant were completed and the plant brought satisfactorily into operation.

In view of the intensive mining activity in the Bridge River district it was decided to utilize the Company's existing facilities at Bridge River, together with machinery available from other of the Company's stations, and to install a preliminary generating plant of 5,375 h.p. capacity and build a transmission line through the Bridge River valley to serve a number of mines in that area. This installation was completed in July, 1934, and several contracts with mining companies which are engaged in development work have already been entered into.

The total expenditures during the year on Capital Account were \$671,430.

GENERAL OPERATIONS

LIGHT AND POWER SYSTEM—While there has been a slight increase in K.W.H. output for light and power purposes, the revenue from this department shows a decrease from last year, partly accounted for by the reduction in rates which went into effect in the West Vancouver and Fraser Valley areas during the year. It is estimated that consumers will benefit to the extent of \$46,000 this year by these reductions.

The following statistics relate to our Light and Power department:

	K.W.H. OUTPUT	METER INSTALLATIONS	MOTOR LOAD IN H.P.
1934	324,155,963	123,368	163,378
1933	324,085,930	122,298	159,377

GAS SYSTEM—The second unit of the new vertical gas plant was completed and brought into operation in December last, giving this plant a manufacturing capacity of 4,500,000 cubic feet per day. The production of gas is now entirely from coal, involving the use of approximately 70,000 tons of British Columbia coal yearly, which is a material factor in the economic and industrial welfare of the Province; and, incidentally, the quality of the important by-product coke has substantially improved.

The winter of 1933-34 was extremely mild, and as a result our heating load fell off substantially. Largely on this account the quantity of gas sold this year was below last year's total by 96 million cubic feet. The gas department has also been faced with intensified competition from oil fuel and wood-consuming heating appliances, and, to meet this condition, adjustments in our gas heating rates are being made effective immediately.

The results of our gas operations are as follows:

	GAS SOLD CUBIC FEET	METER INSTALLATIONS	MILES OF MAIN
1934	1,125,268,000	47,841	632.92
1933	1,221,304,000	49,269	604.39

The decrease in the number of meter installations is principally accounted for by certain combination gas rates enabling the replacement of two-meter by one-meter gas services.

RAILWAY SYSTEM—There are indications, particularly during the last six months of our present fiscal year, that the transportation results are on the upward trend. While the total passengers carried on our railway system for the year were less by 324,235, the results of recent months show an increase over the previous year. The financial results of our railway operations are still, however, far from satisfactory.

The revenues of our freight department are particularly affected by conditions in the United States. A large part of our freight tonnage consists of manufactured timber products, and, with the regulations and restrictions introduced by the United States, the production of British Columbia mills and factories of manufactured lumber for marketing in the United States has been considerably curtailed. The Canadian

prairie markets have in past years absorbed large quantities of British Columbia lumber, but, due to unsatisfactory conditions there, this market also has fallen off considerably, and will only improve with an improvement in crop values.

The passengers carried and freight hauled are as follows:

	PASSENGERS CARRIED	FREIGHT TONNAGE
1934	62,866,184	198,618
1933	63,190,419	218,776

TAXATION

The burden of taxation continues to be most onerous. During the year the total payments to the Dominion, Provincial and Municipal authorities, covering all direct and indirect taxation, amounted to \$1,267,508.

GENERAL

Notwithstanding the many difficult problems that presented themselves during the year, and the continued depression in business which has affected the revenues of all departments, the business of the Company has been maintained on a sound footing.

There are signs of a general improvement in business conditions throughout Canada, and the Government statistics for the first six months of 1934 show fairly substantial gains as compared with the previous year. The improvement, however, is not uniform over all the provinces, and the Province of British Columbia has not up to the present shown as great a measure of recovery as the average over the whole Dominion, particularly in those industries where the use of electric power is an important factor. If it may be assumed that this province will within a reasonable time show gains in business equivalent to the average gains throughout Canada, then your Company will benefit considerably by such improvement.

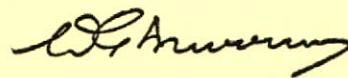
In the comprehensive business which we operate there is a large and permanent body of employees, and the wages paid and steady employment given result in a spending power which is an important factor in the general welfare of the community. The Directors desire to record their appreciation of the loyalty and co-operation of the staff, and to commend them for the efficient manner in which they have carried out their duties.

It is with extreme regret that the Directors record the death of Mr. W. J. Blake Wilson, whose long experience and intimate knowledge of conditions made him a most valuable and highly respected member of the Board.

AUDIT OF ACCOUNTS

The Balance Sheet and Accounts have been certified by Messrs. Price, Waterhouse & Co., Chartered Accountants.

Respectfully submitted on behalf of the Board,

A handwritten signature in dark ink, appearing to read "C. L. Armstrong", written in a cursive style.

President.

BRITISH COLUMBIA POWER
AND SUB

Consolidated Balance Sheet

ASSETS

CURRENT AND WORKING ASSETS:

Cash at Bank and at Call.....	\$1,426,076.62	
Accounts Receivable	1,363,202.84	
Insurance Unexpired and Prepaid Items.....	204,812.61	
Employees' Housing Loans, Mortgages, etc.....	435,161.29	
Stores, Materials and Supplies.....	1,644,051.72	
	\$5,073,305.08	
Investments at Book Value (market value at June 30, 1934, \$2,405,981.00).....	2,527,132.37	
		\$ 7,600,437.45

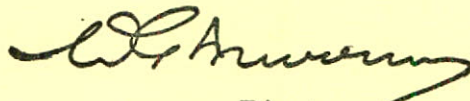
BOND DISCOUNT—Balance 318,620.00

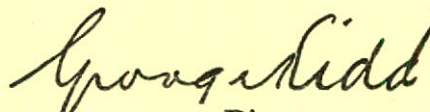
PROPERTY ACCOUNT:

Less Provision for Depreciation and Renewals..... 113,571,231.76

\$121,490,289.21

Approved on behalf of the Board,


Director.


Director.

CORPORATION LIMITED

SUBSIDIARIES

as at June 30, 1934

LIABILITIES

CURRENT AND ACCRUED LIABILITIES:

Accounts Payable, including Reserve for Income	
Taxes	\$1,916,410.53
Debenture and Bond Interest accrued.....	500,697.05
Dividends declared, since paid.....	619,600.00
	<u>\$ 3,036,707.58</u>

BONDED DEBT (as per statement attached).....	38,834,697.99
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CAPITAL STOCKS OF SUBSIDIARY COMPANIES HELD BY PUBLIC:

<i>British Columbia Electric Railway Co. Ltd.—</i>	
5% Cumulative Perpetual Preference Stock	\$6,984,000.00
<i>British Columbia Electric Power & Gas. Co. Ltd.—</i>	
6% Cumulative Preference Shares.....	5,000,000.00
Minority Shareholders of Subsidiary Companies	3,446.25
	<u>11,987,446.25</u>

RESERVES:

General and Accident.....	1,230,981.61
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CAPITAL STOCK AND SURPLUSES (as per statement attached)	66,400,455.78
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Represented by—

1,000,000 Class A Shares and 1,000,000 Class B Shares, part of an authorized issue of 1,500,000 Class A Shares and 1,500,000 Class B Shares, both classes without nominal or par value.

\$121,490,289.21

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Books and Accounts of the British Columbia Power Corporation Limited and its Subsidiary Companies for the year ended June 30, 1934, and have obtained all the information and explanations which we have required, and we report that, in our opinion, the above Consolidated Balance Sheet as at June 30, 1934, is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Corporation and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

VANCOUVER, B. C.,
August 14, 1934.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

BRITISH COLUMBIA POWER CORPORATION LIMITED
AND SUBSIDIARIES

*Capital Stock and Consolidated Surplus and Profit and Loss Account
as at June 30, 1934*

CAPITAL STOCK AND SURPLUSES:

Balance as at June 30, 1933..... \$65,365,764.59

PROFIT AND LOSS ACCOUNT:

Balance as at June 30, 1933..... \$1,009,260.51

YEAR ENDED JUNE 30, 1934—

Gross Revenue \$12,626,674.77

Less—

Operating Expenses,
including Municipal Taxes \$6,065,548.08

Provision for De-
preciation and
Renewals 1,825,202.01

Provision for In-
come Taxes 518,723.23

8,409,473.32

Net Revenue \$ 4,217,201.45

Deduct—

Interest on Bonded Debt, propor-
tion of Bond Discount written
off, Cost of Exchange, and Divi-
dends on Preference Stocks of
Subsidiary Companies 2,571,770.77

1,645,430.68

\$2,654,691.19

Deduct—

Dividends on Class A Shares for the year ended
June 30, 1934..... 1,620,000.00

1,034,691.19

Balance carried forward..... \$66,400,455.78

BRITISH COLUMBIA POWER CORPORATION LIMITED
AND SUBSIDIARIES

Bonded Debt as at June 30, 1934

BRITISH COLUMBIA POWER CORPORATION LTD.:

5½% First Refunding and Collateral Trust Sinking
Fund Gold Bonds, Series "A," maturing March 1,
1960—

Authorized and Issued \$10,000,000.00

5% First Refunding and Collateral Trust Sinking
Fund Gold Bonds, Series "B," maturing March 1,
1960—

Authorized and Issued 4,000,000.00

\$14,000,000.00

BRITISH COLUMBIA ELECTRIC RAILWAY CO. LTD.:

4¼% Perpetual Consolidated Debenture Stock.....£2,788,170 0 0

@ \$4.85 13,522,624.50

VANCOUVER POWER CO. LTD.:

4¼% Perpetual Guaranteed Debenture Stock—

Authorized £1,917,350, of which issued£1,500,000 0 0

@ \$4.85 7,275,000.00

WESTERN POWER COMPANY OF CANADA LTD.:

First Mortgage 5% Sinking Fund Gold Bonds,
maturing July 1, 1949—

Authorized and Issued \$ 5,000,000.00

Less—

Redeemed\$719,233.24

Held by British Columbia

Electric Railway Co. Ltd..... 243,693.27

962,926.51

4,037,073.49

As per Consolidated Balance Sheet

\$38,834,697.99

